



A BILL FOR AN ORDINANCE

RELATING TO FISCAL NOTES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address the provision of information, including fiscal notes, by the City Administration to Councilmembers.

SECTION 2. Chapter 2, Article 18, Revised Ordinances of Honolulu 1990 ("Form of Executive Operating Budget and Executive Capital Budget Bills"), is amended by adding two new sections to be appropriately designated by the Revisor of Ordinances and to read as follows:

"Sec. 2-18. Legislative requests—Reports.

- (a) The mayor shall provide the council with any information requested by the council concerning the executive branch in order to assist the council in the proper exercise of its budgetary duties and obligations.
- (b) The director of budget and fiscal services shall provide a councilmember with a fiscal note concerning any proposed ordinance upon request.
- (c) Failure to comply with this section will not be grounds for invalidation of any duly enacted ordinance.

Sec. 2-18 Fiscal notes—Requirements.

- (a) The director of budget and fiscal services shall establish, implement, and maintain a process to generate and provide to councilmembers, fiscal notes to meet the requirements of this section, any adopted comprehensive financial management policies, and any other fiscal information requested by councilmembers.
- (b) A fiscal note must identify the fiscal impact of a proposed ordinance that may:
 - (1) Directly or indirectly increase or decrease city revenues or expenditures;
or
 - (2) Impose a direct financial impact on city residents or businesses.



A BILL FOR AN ORDINANCE

- (c) A fiscal note must include, at a minimum, the estimated revenue and expenditure impact of the proposed ordinance covering five consecutive fiscal years starting with the fiscal year during which the proposed ordinance will first become effective.
- (d) If the proposed ordinance authorizes a project or expenditures on a project that extend beyond five consecutive fiscal years, the fiscal note must include a discussion of the project's entire estimated life span using either fiscal terms or a narrative of the long term impact of the project on the executive operating budget, the executive capital budget, or both.
- (e) A fiscal note must include, at a minimum, the following information:
 - (1) A brief description of the proposed ordinance;
 - (2) An explanation of the methodology used to determine the revenue and expenditure impact of the proposed ordinance, including the financial assumptions made;
 - (3) A quantifiable analysis of the impact of the proposed ordinance on the executive operating budget; and
 - (4) An explanation of how the proposed ordinance may impose a direct financial impact on city residents or businesses, if any.
- (f) The council may waive the requirements of this section upon receipt of a written report, filed with the city clerk by the director of budget and fiscal services, stating that the proposed ordinance, if enacted, will have no fiscal impact on the executive operating budget or the executive capital budget.
- (g) The director of budget and fiscal services shall submit the fiscal note, no later than five working days after receiving the request for the fiscal note, to the:
 - (1) Councilmember who requested the fiscal note; and
 - (2) City clerk."



A BILL FOR AN ORDINANCE

SECTION 3. Section 2-18.1, Revised Ordinances of Honolulu 1990, is amended by adding new definitions of "fiscal note" and "proposed ordinance" to read as follows:

"Fiscal note" means a written report identifying the fiscal impact of a proposed ordinance that may directly or indirectly increase or decrease city revenues or expenditures or may impose a direct financial impact on city residents or businesses."

"Proposed ordinance" means a bill for an ordinance that has been introduced at the council."

SECTION 4. Section 2-18.2, Revised Ordinances of Honolulu 1990 ("Executive operating budget bill—Form") is amended by amending subsection (a) to read as follows:

- "(a) A summary of the estimated revenues, by source, with which the expenditures requested for appropriations ~~[shall]~~ will be financed. If the source of funding is a broad category of funds composed of specific component funds, such as other operating funds, other federal funds or other state funds, a listing of all anticipated grants or programs, along with the estimated revenue for each, which comprise this source of funding ~~[shall]~~ must also be included. A fiscal note must also be included upon request by a councilmember."

SECTION 5. Section 2-18.3, Revised Ordinances of Honolulu 1990 ("Executive capital budget bill—Form") is amended by amending subsection (a) to read as follows:

- "(a) A summary of the estimated revenues, by source, with which the capital improvement projects are to be financed. If the source of funding is a broad category of funds composed of specific component funds, such as other federal funds or other state funds, a listing of all anticipated grants or programs, along with the estimated revenue for each, which comprise these sources of funding ~~[shall]~~ must also be included. A fiscal note must also be included upon request by a councilmember."

SECTION 6. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.



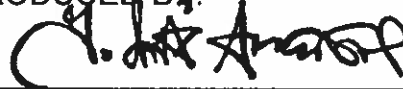
CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____
BILL 15 (2020)

A BILL FOR AN ORDINANCE

SECTION 7. This ordinance takes effect upon its approval and applies to the tax years beginning July 1, 2021 and thereafter.

INTRODUCED BY:



DATE OF INTRODUCTION:

FEB 19 2020

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20 ____.

KIRK CALDWELL, Mayor
City and County of Honolulu